



EX PARTE OR LATE FILED

1850 M Street, NW, Suite 1100
Washington, DC 20036
Telephone: (202) 828-7452
Fax: (202) 822-8999

DOCKET FILE COPY ORIGINAL

Warren D. Hannah
Director, Federal Regulatory Relations
United and Central Telephone Companies

EX PARTE

October 14, 1994

RECEIVED

OCT 14 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

RE: In the Matter of Price Cap Performance Review for Local Exchange Carriers
CC Docket No. 94-1

Dear Mr. Caton:

Today representatives of Sprint Corporation met with Mr. Rudy Baca of Commissioner Quello's office to discuss issues in the above referenced matter. Information on the attached, relative to Sprint's comments and reply comments submitted on May 9 and June 29, respectively, was discussed.

Representing Sprint were Mssrs. Warren Hannah, John Ivanuska, Jim Sichter and Pete Sywenki. Sprint asks that this information be added as part of the record in this matter.

Sincerely,

Warren D. Hannah
Director
Federal Regulatory Relations

Attachment

cc: Mr. Rudy Baca
Ms. Lauren (Pete) Belvin

No. of Copies rec'd 0+2
List ABCDE

SPRINT PRICE CAP REFORM PLAN

RECEIVED

OCT 14 1994

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

SPRINT PRICE CAP REFORM OBJECTIVES

OBJECTIVE

- **INCREASED CONSUMER BENEFITS**
- **INCREASED INCENTIVES FOR PRODUCTIVITY/INFRA-STRUCTURE INVESTMENT**
- **MEASURED STEPS TO ENHANCE LEC's COMPETITIVENESS**

Achieved Through:

- **Access Rate Reductions Greater Than Existing Price Cap Plan**
- **Higher Productivity Offset**
- **Elimination Of Sharing**
- **Immediate Implementation Of Zone Density**
- **Targeted Reductions To High Density Zone Rates**
- **Transport Residual Interconnection Charge (RIC) Phaseout**

SPRINT PRICE CAP REFORM PLAN SUMMARY

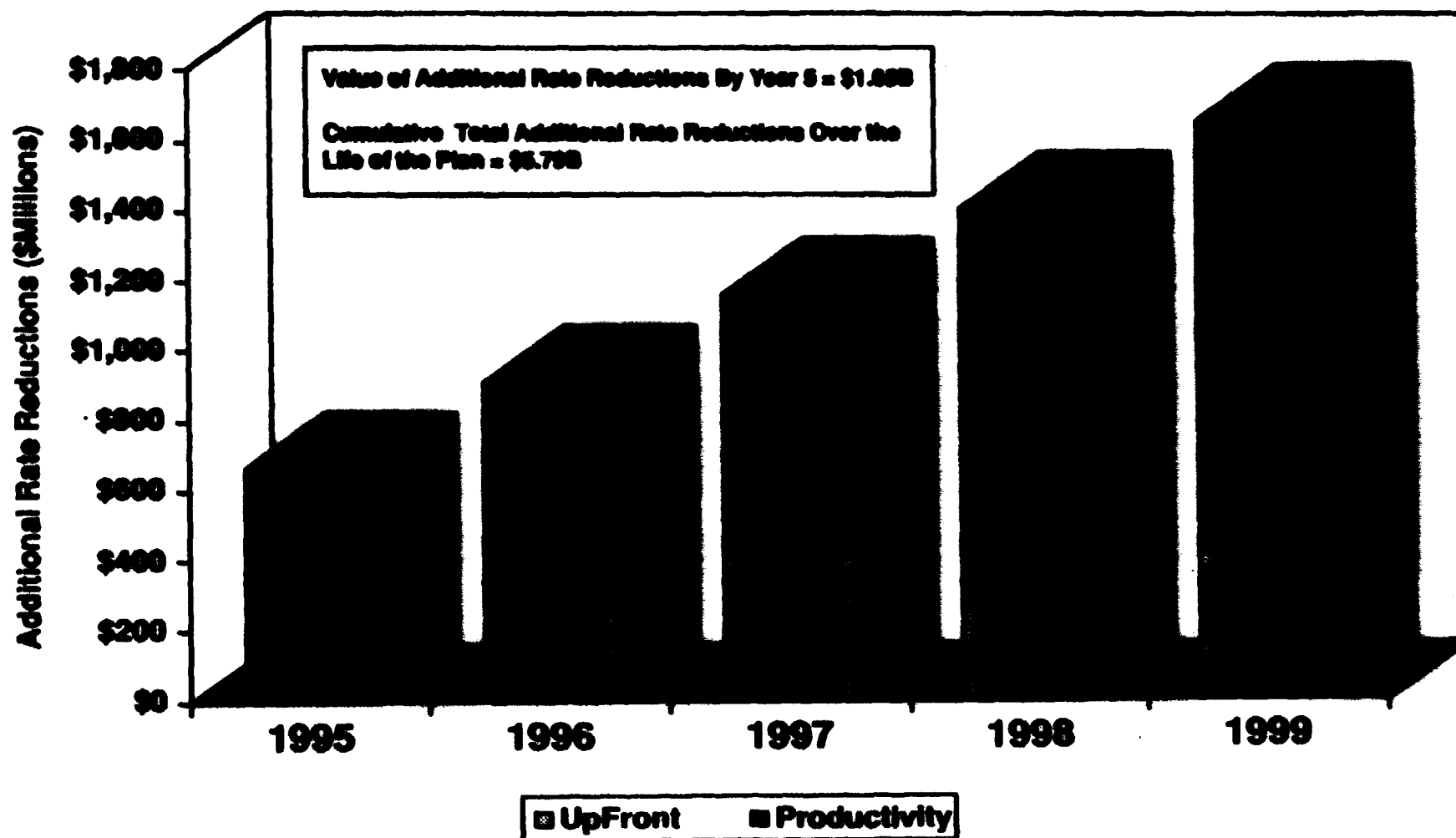
- **5 Year Plan**
- **Incremental Modification Of Existing Price Cap Plans**
 - **More far-reaching access reform (e.g., USTA proposal) not appropriate or necessary at this time**

Key Changes To The Existing Price Cap Plan

- **4.5% Productivity Offset**
 - **1.7% targeted to transport RIC phasedown**
 - **.8% effected through adoption of the per line cap for the CCLC**
 - **2.0% productivity offset applicable to all baskets**
- **2% Upfront Rate Reduction**
 - **Targeted to:**
 - » **High density zone transport rates, and/or**
 - » **CCLC**
 - **Requires immediate implementation of zone density**
- **Elimination of Sharing/Lower Formula Adjustment Mark (LFAM)**

Access Rate Reductions Under The Sprint Price Cap Plan

Compared to the Existing Price Cap Plan*



Access Rate Reductions Under Price Caps

